



Formerly The Foundation for Taxpayer & Consumer Rights

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August 12, 2008

Chairman Ross Johnson
Commissioners Hodson, Huguenin, Leidigh and Remy
Fair Political Practices Commission
428 J Street, Ste. 620
Sacramento, CA 95814

Via Facsimile

Re: August 14, 2008 Meeting
Agenda Items 15, 18

Dear Chairman and Commissioners:

As I noted in our June 10 letter, Consumer Watchdog strongly supports eliminating the "no value" exemption for gifts of tickets to nonprofit fundraising events. Public officials should openly disclose, and adhere to the voter-approved limits on, the value of presents they receive.

At your last discussion of this proposal, political attorneys, local nonprofits and city attorneys have weighed in to argue that applying the gift rule to nonprofit fundraisers will chill participation by local politicians in the life and support of charities.

They have reminded the commission that the presence of local politicians at fundraising events provides nonprofit organizations with visibility, demonstrates community support, leads to more successful events and, ultimately, builds stronger organizations. They suggest that nonprofits would suffer severe hardship under the proposed regulation because public officials would somehow be forced to forego participation in charitable activities.

Nothing could be more unlikely. The proposal does not prohibit nonprofits from inviting public officials to their fundraisers or limit their attendance at any other event. The change would merely prompt disclosure by public officials of the free admission, meal or other benefit they receive with an invitation. Just as a politician would have to return any other extravagant gift, only a ticket including benefits worth more than \$390 to the nonprofit would be prohibited. An outside party, on the other hand, might be prohibited from currying favor with a public official by passing out \$1,000 tickets to a show that the politician would otherwise have to pay for personally. We don't think that's an

unreasonable constraint. Gifts of great value have the potential of exerting undue influence on a public official, and the Political Reform Act limits them for this reason.

There can be no question that free admission to the Rose Bowl confers a personal benefit on a public official. So would tickets to a private concert, a celebrity luncheon, or a lodging and spa package at a seaside resort. Last weekend the Los Angeles Times reported on a \$123,000 Four Seasons golf tournament fundraiser by a nonprofit associated with a home health care workers' union. Such perks are gifts, no matter what cause is invoked.

It is a minimal burden for a public official to report a few more pieces of information about the gift of a ticket on the statement of economic interests each must already submit. This amended regulation will help correct an unnecessary erosion in the provisions of the Political Reform Act.

Please also note our support for the increased disclosures proposed in Item 15. It is often impossible to decipher who is behind a political committee when only the name of a treasurer – often a faceless attorney in a campaign law firm – is disclosed. A requirement to report the names of principal officers as well is a step toward greater clarity in campaign disclosures.

Sincerely,

A handwritten signature in black ink, appearing to read "Carmen Balber", followed by a horizontal line.

Carmen Balber

cc Brian G. Lau, Commission Counsel
William J. Lenkeit, Senior Commission Counsel
Scott Hallabrin, General Counsel